
SENATE BILL No. 141

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-2.5-5.

Synopsis: Sales tax exemption for college textbooks. Provides that sales of textbooks are exempt from the state sales tax if: (1) the textbooks are required for an undergraduate or graduate course at an accredited college or university; and (2) the purchaser is a student, or a parent or guardian of a student, enrolled in the course for which the textbooks are required.

Effective: July 1, 2008.

Alting

January 8, 2008, read first time and referred to Committee on Tax and Fiscal Policy.

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Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

SENATE BILL No. 141

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-2.5-5-26 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 26. (a) Sales of tangible
3 personal property are exempt from the state gross retail tax, if:
4 (1) the seller is an organization that is described in section
5 21(b)(1) of this chapter;
6 (2) the organization makes the sale to make money to carry on a
7 not-for-profit purpose; and
8 (3) the organization does not make those sales during more than
9 thirty (30) days in a calendar year.
10 (b) Sales of tangible personal property are exempt from the state
11 gross retail tax, if:
12 (1) the seller is an organization described in section 21(b)(1) of
13 this chapter;
14 (2) the seller is not operated predominantly for social purposes;
15 (3) the property sold is designed and intended primarily either for
16 the organization's educational, cultural, or religious purposes, or
17 for improvement of the work skills or professional qualifications



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of the organization's members; and

(4) the property sold is not designed or intended primarily for use in carrying on a private or proprietary business.

(c) The exemption provided by this section does not apply to an accredited college or university's sales of **the following**:

(1) Books **other than textbooks exempt under section 43 of this chapter.**

(2) Stationery.

(3) Haberdashery.

(4) Supplies. or

(5) Other property.

SECTION 2. IC 6-2.5-5-43 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 43. Sales of textbooks are exempt from the state gross retail tax if:**

(1) the textbooks are required for an undergraduate or graduate course at an accredited college or university; and

(2) the purchaser is a student, or a parent or guardian of a student, enrolled in the course for which the textbooks are required.

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